

CLASSIFICATION CONFIDENTIAL  
SECURITY INFORMATION  
CENTRAL INTELLIGENCE AGENCY  
INFORMATION FROM  
FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT

50X1-HUM

CD NO.

COUNTRY Rumania  
SUBJECT Economic - Foreign trade  
HOW PUBLISHED Information bulletin  
WHERE PUBLISHED Bonn  
DATE PUBLISHED 3 Dec 1951  
LANGUAGE German

DATE OF INFORMATION 1951

DATE DIST. 24 Apr 1952

NO. OF PAGES 18

SUPPLEMENT TO REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF ESPIONAGE ACT 50 U.S.C. 31 AND 32, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SOURCE Der Informationsdienst, No 133, 1951.

ROMANIAN FOREIGN TRADE PLANS FOR 1950 - 1951

Romanian foreign trade plans for 1950 - 1951 provided for an exchange of about 300 million dollars in each direction, or 600 million dollars altogether. In 1949, the figure was 240 million dollars. The 300 million dollars were distributed as follows (in million dollars): Soviet-Rumanian agreement, 140; Czechoslovakian-Rumanian agreement, 40; Hungarian-Rumanian agreement, 15; Polish-Rumanian agreement, 15; East German-Rumanian agreement, 10; secret agreement concerning investments with the rest of the Satellite countries, 20. The remaining 60 million were to be used in trade with the West, particularly with Argentina, Great Britain and the sterling bloc, Switzerland, Italy, Austria, Belgium, the Netherlands, France, Sweden, Turkey, Egypt, Brazil, West Germany, Israel, and the US.

For political reasons there is no trade of any kind with Yugoslavia, Greece, Spain, or Portugal.

Various points of contention prevent economic agreements between the Rumanian government and the governments of the following countries:

Sweden, which objects to the nationalization of Swedish companies [in Rumania] producing matchboxes, SKF roller bearings, and others

Switzerland, which, for the same reason, has instituted the well known economic blockade; however, some sort of understanding seems to have been reached

Great Britain, which refuses to sign an agreement because of nonpayment of reparations under the peace treaty, but agrees to an exchange of goods within the scope of the "Rumanian a-Cto"

The US, which, for the same reasons as Great Britain, permits only an exchange of goods of minor value against payment in hard currency.

- 1 -

CLASSIFICATION CONFIDENTIAL

STATE	<input checked="" type="checkbox"/> NAVY	<input checked="" type="checkbox"/> NORS	DISTRIBUTION																	
ARMY	<input checked="" type="checkbox"/> AIR	<input checked="" type="checkbox"/> FBI																		

CONFIDENTIAL

50X1-HUM

Austria, which is conducting normal trade and wants a trade agreement; until 1950, the Soviets apparently were opposed to one, but they seem finally to have changed their tactics and will now permit the conclusion of an agreement

France, which refuses to sign an agreement for political and economic reasons, particularly because the Rumanians arbitrarily canceled the debts of the old Rumanian state (armaments contract, oil fields, Wagner treaty), but permit exchange in free currency and even compensation deals; for example, in August 1949 an export license was granted for 100 tons of oil pipelines, against payment in free dollars

West Germany, which continually demands a trade agreement with Rumania; General McCloy agreed to this, but the Soviets were against it.

As far as the other countries are concerned, political considerations or their own economic plans or the plans and aims of some other Communist country, specifically the USSR, determine whether or not a trade agreement is to be concluded between the countries concerned.

The Ministry for Foreign Trade must ask permission from the Foreign Ministry to enter into a trade agreement with a capitalist country. The Foreign Ministry, in turn, asks permission from Moscow, and no decision can be made until this is forthcoming. Since 1948, the direction and the extent of foreign trade have been dictated by Moscow. Sometimes, orders are given to establish business connections with a certain country, but not within the scope of an agreement, for example, with Israel, with which an agreement was later made, or with Italy. In other cases an order is given to conclude an agreement for political reasons. But, in any case, there is an order which forbids the export to capitalist countries of certain strategic goods, such as oil products (except bitumen and paraffin), iron ores, metals, and cement.

Mikoyan [Former Minister of Foreign Trade USSR] cited Rumania's foreign trade as an example of a well-conducted trade operation and of correct comprehension of international economic policy. Although the party central committees in other countries have worked on the same principles, it is apparent that they have adapted themselves to these principles only under pressure and severe sanctions. In this connection, Mikoyan mentioned the case of the Bulgarian Foreign Ministry, which he condemned, along with several others.

For a time Poland and Hungary had greater freedom of action. The heaviest pressure was exerted on Czechoslovakia, whose industry was subjected to an effective limitation process, to the detriment of the general economy of the country. This fact was taken advantage of by some of the other countries, depending upon its importance to them, economically by Bulgaria and Albania and both politically and economically by the USSR.

#### Forms of Rumanian Foreign Trade

1. Trade agreements, goods contracts, payment and financial stipulations
2. Direct or indirect compensation deals
3. Simple import and export with payment in foreign currency
4. Import based on simple financial credits or guaranteed by goods or gold profits

- 2 -

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

5. Contracts for technical and industrial cooperation with the USSR and some of the Satellite countries (up to 1950 with Poland only; a contract with Czechoslovakia is being prepared)

The contracts with the USSR and the Satellite countries are executed within the scope of the basic directives of the Economic Council in Moscow. These include:

a. The greatest possible increase in the exchange of goods between these countries, so that the needs of one may, for the most part, be satisfied by the others

b. Obligation of the Satellite countries to reciprocal cooperation and technical assistance, by exchange of industrial and other experts and of production methods and technical processes, as well as by cooperation in industrial production; for example, Rumania delivers bauxite and Poland produces aluminum from it

c. Supervising the production and distribution system to achieve this goal.

#### Rumanian-Hungarian Agreement

The Rumanian-Hungarian agreement consisted of two parts: an agreement on industrial investments (the investment program was approved by Moscow and kept secret) and the actual trade agreement. The agreement is based on the dollar, with individual prices calculated on the basis of US prices. This agreement, like others, provides for the liquidation of old balances deriving from trade or banking transactions, transportation, insurance, telecommunications, postal service, etc.

Rumanian exports provided for in this agreement were as follows (in US dollars unless otherwise indicated):

- |  |                    |
|--|--------------------|
| 1. Petroleum products                              | about 2,500,000    |
| Mazut crude oil                                    |                    |
| Motorin (probably motor oil)                       |                    |
| Oil of 16-18 degrees Engler                        |                    |
| Gasoline at least 60 octane                        |                    |
| Bitumen  |                    |
| Paraffin   |                    |
| 2. Lead  | 1,500 tons         |
| 3. Zinc  | 2,000 tons         |
| 4. Cattle fodder, sunflower seeds, clover, alfalfa | about 600,000 tons |
| 5. Chemical products                               | about 600,000      |
| Methyl alcohol                                     |                    |
| Acetone  |                    |
| Benzene  |                    |
| Red lead   |                    |
| Chromium ore                                       |                    |
| Manganese ore                                      |                    |
| Sodium bicarbonate and dichromate                  |                    |
| Glauber's salt                                     |                    |
| Gypsum and lime                                    |                    |
| Talcum   |                    |
| Betonit [raw material for concrete?]               |                    |

- 3 -

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

- |  |                    |
|--|--------------------|
| 6. Industrial salt for caustic soda and table salt   | about 250,000      |
| 7. Leguminous crops  | about 300,000      |
| Beans  |                    |
| Peas and lentils   |                    |
| Soybeans   |                    |
| 8. Grain: grain and corn, normally destined for re-export, but also for Hungary during the first period of drought | at least 3,000,000 |
| 9. Wood products   | about 7,000,000    |
| Pitwood in special dimensions  |                    |
| Firewood   |                    |
| Railroad ties  |                    |
| Building lumber  |                    |
| Veneer wood, plywood sheets, and cabinets for radio receivers  |                    |
| 10. Miscellaneous  |                    |
| Raw leather for processing   |                    |
| Red paprika, ground  |                    |
| Different types of paper   |                    |
| Mineral waters and the like  |                    |

Hungarian exports were to be as follows (in US dollars):

- |  |           |
|--|-----------|
| 1. Pipes   | --        |
| 2. Equipment for standard telephones and special installations, miners' chambers (Bergarbeiterkammern)   | 1,000,000 |
| 3. Special material for railroads  | 1,000,000 |
| 4. Pharmaceutical products (Neosalvarsan)  | 1,200,000 |
| 5. Various chemical products and laboratory substances   | 500,000   |
| 6. Busses and various means of transportation  | 1,000,000 |
| 7. Down payment for machines for the production of sheet metal for the "23 August" plant   | 500,000   |
| 8. Medium-size machine tools   | 1,500,000 |
| 9. Agricultural machines, mowing machines, mechanized plows, threshing machines, etc.  | 700,000   |
| 10. "Tungsram" and "Orion" products  | 500,000   |
| 11. Insulators and other electrical materials  | 300,000   |
| 12. Heat-resistant materials (principally magnesite)   | 250,000   |
| 13. Industrial installations, an installation for dressing lead and zinc ore for Baia Mare (When orders for industrial installations were being placed, an unsuccessful effort was made to get a group of electrolytic cells, which had been made in Csepel, from the Phoenix System in Budapest, to be used for |           |

- 4 -

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

enlarging the Solvay works. Since the production capacity of this factory was inadequate, it was planned to build a new factory solely to cover the needs of the oil industry, so that caustic soda solution of proper concentration could be piped directly from the factory where it is produced to the refinery.) 800,000

14. Various types of sheet metal	300,000
15. Various industrial materials, special sheet metals, electrodes, steel alloys, and similar items	200,000
16. Textiles, finished leather goods	500,000

There were many difficulties concerning the agreement with Hungary. The Hungarian economy is steadily deteriorating. It suffers heavily from the lack of connections with the West because its qualitative development is only superficial, not substantial. Since a large part of its industry is set up for processing foreign raw materials, it loses not only its exports for hard currency but also its transit trade and re-exports. On the other hand, Rumania was not in a position even to supply Hungarian industry with the raw materials which would enable it to fill the majority of the Rumanian orders. The fact that the USSR and the other Satellites are not in a position to cover these requirements either made the situation even more difficult. To carry out the above-mentioned orders, the Manfred Weiss rolling mill undertook experiments which lasted 4 months, but finally the Hungarians had to turn to Moscow to get Rumanian raw materials.

#### Rumanian-Czech Agreement

Except for the agreement with the USSR, this is Rumania's most important trade agreement. It was set up on the basis of the Rumanian economic plan, and the tardy fulfillment of its provisions, which occurred frequently, meant basic changes in the plan and caused much vain expenditure of effort. It is claimed that this agreement with the Czechs even contains some items which were never delivered at all. It was a real task to keep the exports and imports balanced. The Rumanians tried to place extensive industrial orders, but the Czechs always had light orders on hand for the West which, at the same time, assured them a supply of raw materials. In addition, the disparity in the way the Rumanian and Czech orders were shipped was hard to tolerate. The Rumanian deliveries, for the most part, were made rapidly, while the Czech delivery periods varied greatly in length.

Up to 1950, the Czechs did not even undertake any important industrial orders for Rumania. Czech technicians enjoyed the open support of the responsible Czech political officials, and not even Soviet intervention produced any positive effect. For the Czechs, the agreement with Rumania was an even greater burden than for the Hungarians. For the most part, the Rumanian orders required raw materials which had to be obtained from the West. Rumania brought pressure to bear on the Czechs to recognize the prices contained in the Czech-Soviet agreement as the basis for determining the standard prices for the various groups of goods in this agreement.

Although officially the Rumanian and Czech delegates conformed to diplomatic etiquette, basically they hated one another. The Czechs did everything possible to prevent the agreement from functioning satisfactorily. All the central offices and also the corresponding economic divisions collaborated in this, and there were a number of cases in which the Czechs tried to compensate for a loss resulting from the prices thus established by delivering material of poor quality, or sabotaged orders by unusually long delivery periods.

- 5 -

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

Czech exports provided for in this agreement were as follows:

1. Rolled products constitute the main item, with 30,000 tons a year, including 10,000 tons of pipes for oil lines, with specifications as follows:
  - a. Particularly 9-11 inch sizes; these are the dimensions most sought for the oil industry
  - b. Drilling pipes, pipes for experimental drillings
  - c. Tubing, particularly steel tubing for scaffolds for large-scale constructions
  - d. Narrow plumbing pipes, low-pressure pipes, and the corresponding number of connecting pieces (inch-pieces) for them. Delivery of pipes of smaller dimensions means unproductive labor for Czech industry. Therefore, the Czechs insist on delivering pipes of large dimensions and, in particular, they want to substitute the following for orders not yet delivered:
    - e. 500-700 tons of metal pipes, 16-20 inches in diameter, an order which they can fill more easily than those under a and especially more easily than those under b, c, and d, with which they are always in arrears.

The fact that the US has not yet delivered the pipe-drawing machines which the Czechs ordered before the war and the fact that the Soviets absorb the major part of production have made short-term deliveries impossible. It is possible that the Rumanians received 10,000 tons of pipes in 1950. The rest of the 30,000 tons was replaced by the following:

Tool steel  
 Poldi special steel  
 Streetcar tracks  
 Railroad tracks and auxiliary tracks  
 Decauville tracks for mountain railways and cable railways  
 Various rolled tracks, I-beams, channel bars, T and double-T sections, and H-beams.

2. Sheet metal (alloy sheet) for firearms (Schiesskonstruktionen). This is to fill orders resulting from the Rumanian-Soviet armistice, in the amount of about 4,000 tons. Rumanian production was limited to dimensions of up to 4 millimeters.

3. Very large diesel engines, especially for seagoing vessels. In general, delivery terms of at least 2 years were demanded and, therefore, smaller diesel engines of about 100 horsepower were accepted. (It must once again be mentioned that one of the means the Czechs used was the demand for long delivery terms. But it may be assumed that this is no longer possible, since the Economic Council in Moscow not only has exact statistics on Czech production but also controls this production.)

4. Refractory materials, about 15,000 [tons?]

Magnesium bricks  
 Chrome-magnesite bricks  
 Silicon bricks  
 Fire-resistant chamotte (grog)  
 Fire-resistant clay in place of raw materials  
 Fire-resistant plaster  
 Seger cones, of the usual commercial grade, over 34 degrees Seger, particularly suitable for furnaces and high temperatures in general. Despite all efforts of the Hungarians, Poles, and even the Soviets, to say nothing of Rumania's

- 6 -

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

own production, which succeeded in 1950 in partially covering the requirements, usually only 32 degrees Sege were achieved, occasionally 33 degrees. To show the Czech difficulties in acquiring foreign currency, which was necessary to get raw materials from foreign countries, it may be noted that in 1947 and even in the first half of 1948 the Czechs exported the greater part of their available fire-resistant materials to the West, particularly for the West German blast furnaces. In spite of all political risks which resulted from these deliveries. Nevertheless, the Czechs will remain for a long time the sole suppliers for Rumania, because they have the suitable raw materials, the necessary technical experience, and the personnel familiar with this delicate work, which is a family tradition in Czechoslovakia and is carried on from generation to generation.

5. Metallurgical coke and foundry coke, 50,000 to 70,000 tons. The figure for metallurgical coke fluctuated depending on the amount which the Soviets allotted the Rumanians. Because of the quality, the fight for the allocations was very bitter, as was also the case with fire-resistant material. The problem of quality is a very delicate one, because only a few dare state that the Soviet material is not worth anything. The following incident is typical of the Soviet deliveries. One factory had received a shipment of Soviet steel for the iron industry (CIMP /Centrăla Industrială a Metalurgiei Prelucrătoare, Central Metallurgical Industries/). The material had cracks and processing defects in it. At the examination of the material a CIMP expert, Engineer Fuerea, declared before the commission that Soviet steel was not of good quality. Result: Fuerea was arrested!

In addition to coke, coal deliveries for the sugar industry and especially for the oil industry should also be mentioned.

6. Special internal-combustion engines, welded
7. Pharmaceutical and chemical products, special substances, laboratory reagents, dyes, sodium hydrosulfate, and similar items
8. Industrial installations. Most important orders: a Krupp-Renner installation for processing wastes, centrifuges, packaging equipment, and similar items.
9. Polishing stones
10. Agricultural machines and implements
11. Brick, 5,000 tons
12. Special industrial ceramics
13. Steel alloys, especially chromium-molybdenum, 200 tons
14. Electric meters, gas meters, pyrometers
15. Miners' lamps
16. Various construction materials
17. Harbor construction materials
18. Vehicles, spare parts, jeeps, trucks, busses
19. Electrical material, cables (mostly lead, very little copper), insulators, electrodes, and similar items

- 7 -

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

20. Catalysts for sulfuric acid, ferrovanadium
21. Leather goods, especially for industrial use
22. Malt for brewing beer and other products

In the case of secondary products, such as wine, fruits, medicinal plants, ceramic products from Gablonz, mechanical toys, objets d'art, etc., the agreement provides for a latitude of approximately 10 percent for both parties. The expression "secondary" products, which is found in all agreements, means that this product is not considered essential; the same term is used in the economic plans.

Rumanian exports provided for in this agreement were as follows (in tons unless otherwise indicated):

1. Petroleum products. It should be mentioned that the Czech, Hungarian, and Bulgarian demands for crude oil had, up to 1950, not been satisfied at any price.

Crude oil  
Motorin (probably motor oil)  
Gasoline, impure  
Kerosene  
Bitumen  
Paraffin

400,000 tons of  
these products  
were delivered

2. Soft lead	3,000
3. Zinc	3,500
4. Chromium ore	2,500
5. Building wood	250,000 cu m
6. Cattle, sheep, pigs, beef cattle, fowl	150,000
7. Salad oil and lard	1,000
8. Oilseeds	10,000
9. Sunflower oil	2,000
10. Oil cakes from sunflower seeds	10,000
11. Soy	4,000
12. Grain	60,000
13. Corn	40,000
14. Sugar beets	5,000
15. Legumes	2,000
16. Manganese ore	3,000
17. Various chemical products, acetone, carbonates, steatite, carbon black	250,000 dollars

- 8 -

CONFIDENTIAL



CONFIDENTIAL

50X1-HUM

The Rumanian-Czech agreement as well as the Rumanian-Hungarian agreement provides some freedom of decision in the deliveries; in the second half of 1951 the Rumanians had to substitute some products for others, always, however, within the scope of the above list. Because of the heterogeneous nature of the Czech products as well as the necessity of furnishing technical instructions, certificates of material testing, and acceptance statements in connection with installing the equipment, the Czechs tried to get permission from the Rumanians to let a Czech commission visit the Rumanian factories. However, they were not successful. Permission was obtained only for a very small commission, for which the Czech legation in Bucharest is entirely responsible.

Rumanian-Polish Agreement

\* Polish exports provided for in this agreement were as follows (in tons):

1. Pipes for oil lines and methane gas (CH <sub>4</sub> ) lines	4,500
Including oil pipelines	1,000
2. Medium-sized machine tools, re-export, obtained under various other Polish agreements	
3. Electrical installations, cables, insulators	
4. Tracks for railroads, streetcars, narrow-gauge railroads	4,000
5. Metallurgical coke	30,000
6. Chemical products, sulfur, manganese dioxide, dyes	400,000
7. Textile equipment and spare parts	500,000
8. Heat-resistant material	200,000
9. Ball bearings, re-export, from Sweden and Germany	300,000
10. Various iron sections	400,000
11. Various types of graded steel	2,000
12. Brick	3,000
13. Electrolytic zinc	1,500
14. Electrical measuring equipment	200,000
15. Various domestic aluminum products for industry	200,000

Rumanian exports were to be as follows:

1. Crude oil products	600,000
2. Wood, especially railroad ties and mine timber	50,000
3. Zinc, lead	2,000
4. Manganese ore	30,000
5. Grain	40,000

- 9 -

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

6. Food	10,000
7. Petroleum coke	3,000
8. Miscellaneous	500,000 dollars

Rumanian-Bulgarian Agreement

Rumanian exports provided for in this agreement were as follows:

1. Petroleum products
2. Chemical products
  - Carbide
  - Caustic soda
  - Glauber's salt
  - Sodium bichromate
  - Bicarbonate of soda
  - Sulfuric acid
  - Hydrochloric acid
  - Salt
  - Acetone
  - Ammonia
  - Red lead
3. Cement
4. Miscellaneous materials and metallurgical products

Bulgarian exports were to be as follows:

1. Manganese ore
2. Barium sulfate
3. Clay slate
4. Fire-resistant clay
5. Tobacco
6. Rice
7. Flower essences (attar of roses)

Rumanian-Soviet Agreement

This agreement embraces almost all branches of the country's economy, industry, trade, transportation, insurance, and both technical and industrial cooperation. The first agreement was based primarily on so-called "processing transactions," in order to encompass the total production capacity of the processing industry. The extent of production in 1950 was used as a basis, but it is likely that this figure was exceeded. In September and November the Rumanian plans for the various branches of industry were finished and sent to Moscow. There, the total plan for foreign trade was gone over; then approximately this amount was set as binding, and, at the same time, it was determined which types of goods were to be furnished in reciprocal exchange and which in so-called "processing transactions."

- 10 -

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

In the agreements with the other Satellite countries there is an exchange of suggestion lists by both parties which determines the basic exports and, thereby, the approximate quantities and types of goods which will then be contained in the agreements.

Soviet exports provided for in this agreement were as follows (in tons):

1. Cotton. Part of the cotton was to be processed and sent back to the Soviet Union as finished goods. The 1950 production capacity was figured on a basis of three shifts daily and came to 35,000 tons. The total quantity to be exported was 25,000 tons.
2. Brick 60,000
3. Iron, various sections 30,000
4. Crude rubber 500
5. Synthetic rubber. In addition, very small quantities of catalysts and chemical products used in processing rubber, such as alpha aldol, naphthylamine, alnuram, and Vulkazit, were to be delivered. Until 1950, there was no Vulkazit at all and the other deliveries were not satisfactory in quality. It was very difficult to obtain Vulkazit and catalysts from the West. It was necessary to substitute a formaldehyde derivative which shortened the life of the rubber goods. 2,000
6. Neither the Soviets nor other purchasers want to take Rumanian gasoline of less than 60 octane. The Soviets are the only suppliers of the antiknock compound (lead tetraethyl) used to increase the octane rating, and they supply only inadequate quantities.
7. Electrolytic copper 1,000
8. Construction steel, tool steel, high-grade steel 5,000
9. Electrode graphite (poor processing and poor quality) 250
10. Steel alloys, chromium-molybdenum, tungsten 1,000
11. Nickel, cobalt, magnesium 300
12. Short-fiber and long-fiber asbestos (was not delivered)
13. Machine tools of large dimensions. In all agreements there is this item from the Rumanian industrial plan. Neither the Soviets nor the other Satellite countries can deliver machine tools in either the quality or the quantity which the plan calls for.
14. Ball bearings. The difficulties in obtaining them are well known. The number of undelivered bearings increases each year. According to the plan, the Czechs had to produce a series of small sizes. Special series of large sizes will somehow have to be obtained from the West. Anticipated amount 1,500

- 1 -

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

15. Natural sulfur, sulfur rock, needed for special purposes such as the vulcanization of rubber. It must be obtained from the West, especially Italy, whose sulfur is known for its purity. Anticipated amount

1,500

16. Breakers for the textile industry; those of the Soviets are not of adequate quality.

17. Manganese dioxide

18. Installations for electric power stations. The plan provides for stations ranging from 10,000 to 30,000 kilowatts. Some of these installations were delivered by the USSR, the rest by Prague and Warsaw.

19. Medicines, medicinal raw materials, neosalvarsan, penicillin, and thermolabile elements [sic].

20. Neon, xenon, and argon

21. Transformer wires

150

22. Cars for cable railways for the oil industry, Austrian origin

23. Trucks and busses

24. Various chemical products. The Soviets do not have indanthrene.

25. Drills and cranes.

Rumanian exports were to be as follows (in tons):

1. Petroleum products

about 1,300,000

2. Wood products, some delivered to neighboring regions of the USSR and some FOB Constanta (Soviet re-export)

about 1,000,000

3. Almost the entire lampblack production of the Gas Metan (Methane Gas) Company

4. Meat, including both cattle and fowl

40,000

5. Various chemical products

Carbide, almost the total amount obtainable from the Nitrogen firm [possibly the Nitrogenul Chemical Plant in Bucharest]

Cement, almost the total amount available for export

Ethyl alcohol, almost the total amount available for export

Sulfuric acid, almost the total amount available for export

- 12 -

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

Heavy lubricants

Wine distillates

Tar, in barrels

6. Small sea vessels, 100 to 300 tons

7. Military shoes, about 1,000,000 pairs. This item is particularly hard to fill, since Rumania's anticipated needs are covered only up to 55 percent by domestic leather, and it is very difficult to obtain leather and corresponding processing materials in the normal manner.

8. Grain, mostly FOB Constanta (Soviet re-export)

300,000

9. A large part of the total production of the Astra Vagoane firm (railroad cars and accessories)

10. Almost the total available amount of starch, glucose, dextrin, brewer's yeast

11. Various kinds of fruit, nuts, dried prunes, grapes, wine, young plants for grapevines

Rumanian-East German Agreement

Rumanian exports provided for in this agreement were as follows:

1. Oil products
2. Meat
3. Grain
4. Fodder for cattle

German exports were to be as follows:

1. Machine tools
2. Precision machines
3. Machines for pouring
4. Microscopes, lenses, optical and laboratory glasses
5. X-ray tubes
6. Various chemically pure substances for laboratory analyses
7. Small rolling installations
8. Industrial needles for textile and leather and various equipment for such factories
9. Catalysts for the chemical industry
10. Various medicines

- 13 -

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

Some of the goods listed here were obtained from West German firms and re-exported. This was the only possibility of obtaining spare parts for installations or machines of German origin, for example, AEG (German General Electric Company) Siemens-Halske, MAN (Augsburg-Nuremberg Machine Factory), and others.

#### Agreements With Capitalist Countries

Since the agreements with the USSR and the Satellite countries practically exhaust exploitation possibilities, it is generally estimated that only about 70 million dollars remain for obtaining goods from the West. [NOTE: The first paragraph of the report gives this figure as 60 million dollars.] In accordance with the plan of September 1949, this amount was to be distributed as follows (in million dollars): Argentina 10, Great Britain and the sterling bloc 9, Switzerland 6, Italy 5, Austria 4, Sweden 1, West Germany 8, Belgium 3, the Netherlands 2, Egypt 3, India 1, Brazil 1, US 2, France 1, Turkey 1, Finland 2, Israel 1, and transit goods (free of duty) 10.

#### Importance of These Countries

Economic relations with these countries were undertaken only within the scope of the plan. They are not to be regarded as normal relations, with the economies of the two countries complementing one another; rather, most of the imports from the capitalist countries are critical items under the plan and are also items which either cannot be imported at all from the USSR or the other Satellite countries or cannot be imported in sufficient quantities.

#### Argentina

According to the needs of the Five-Year Plan, it was planned to import from Argentina unprocessed leather to cover at least 20 percent of the total Rumanian requirements. An additional 25 percent is covered by imports from other countries, especially Brazil and South Africa. Tanning materials (quebracho wood, sumac wood, and chestnut wood) are likewise imported from Argentina.

#### Great Britain

Textile-processing installations, wool, hemp, and various spare parts  
 Various types of steel  
 Large machine tools  
 Special installations for the railroad signal system  
 Telephone and telegraph installations  
 Cotton, wool, and jute, in bales  
 Zinc, 300 tons per year  
 Chemical products and dyes

- 14 -

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

Switzerland

Diesel engines over 500 horsepower  
 Refrigeration installations for industrial uses  
 Spare parts for various Rumanian installations of Swiss origin, Brown-Boveri, Oerlikon, Escher Vys  
 Schmidt-Ross ball bearings for various uses  
 Special electric transformers and motors  
 Precision equipment  
 Equipment for measuring distances; telescopes, especially military  
 Various pharmaceutical products  
 Various chemical products  
 An Oerlikon installation with licenses for the manufacture of welding electrodes  
 Special installations and spare parts for typography and lithography

Italy

Dyes  
 Chemical products, sulfur, boric acid  
 Ball bearings  
 Various electrical installations, special cables, insulators, etc.  
 Large machine tools  
 Marine engines  
 Plumbing pipes. Dalmine and Ansaldo cannot deliver pipes for oil lines. The agreement with the two factories was made and even a delivery agreement signed, but the Ministry for Trade refused to give permission for export, even though other bureaus were agreeable to it.

Re-exports from the Marshall Plan: jeeps, etc.

Austria

Ball bearings, for the most part re-exported from West Germany  
 Steel  
 Heat-resistant material  
 Klingerit  
 Tank cars for oil

- 15 -

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

Installations for making textiles

Various electrical appliances

Precision equipment

Sweden

Surgical instruments

Equipment for making textiles

Electrical installations and lamps

Steel and steel products

Polishing stones

Breakers for textiles

West Germany

Large machine tools

Various rolling installations

Spare parts for industrial installation

Various pipes

Electrical installations

Precision instruments and electric measuring instruments

Dyes and chemical products

Breakers for the textile industry

Welding electrodes

Catalysts for the chemical industry

Belgium

Machine tools for shipbuilding

Ball bearings (re-export)

Industrial diamonds

Rolling mills

Cranes

Miners' lamps

Polishing stones

Tungsten wires

- 16 -

CONFIDENTIAL



CONFIDENTIAL

50X1-HUM

Streetcar and Decauville tracks

Various metals, electrolytic zinc and copper, zinc, chromium, etc.

Breakers for textile factories

Netherlands

Crude rubber

Special dyes for casting and ceramics

Refrigeration installations

Wool waste

Various kinds of beef cattle and fowl

Sisal (transit)

Egypt

Cotton

India

Jute

US

Only unimportant items because of embargo

Turkey

Ordinary material for processing, especially "Valex"

Electrolytic copper and chromium ores, which are becoming harder to obtain all the time

Finland

Copper

Electric cables, especially of copper (800,000 dollars' worth delivered in 1950)

Large amounts of spun rayon. This, to a large extent, replaces natural textiles, which are in short supply.

Small ships and icebreakers for rivers

Electric saws

Installations of Swedish type for the manufacture of spun rayon

Various types of special paper

Short-fiber asbestos

- 17 -

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

Brazil

Unprocessed leather

France

Pipes for oil lines (French-Belgian Company). Relations are unstable.

Goods Obtained From Transit Traffic

Crude rubber

Ball bearings

Wool, cotton

Leather and material for reprocessing

Various spare parts and instruments for ships, submarines, and aircraft, and for industry

Catalysts

Various metals

Miscellaneous

- E N D -

- 18 -

CONFIDENTIAL